

# DUTCHESS EDUCATIONAL HEALTH INSURANCE CONSORTIUM

*A Year in Review (YIR), 9/2020 – 6/2021*

This document provides summary highlights of the projects or major initiatives undertaken by the DEHIC Board of Trustees and DEHIC Executive Committee during the period noted.

Prepared by Rose & Kiernan, Inc. (a subsidiary of NFP)



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## *Retiree Drug Subsidy (RDS)*

- The Consortium continues to participate in the Retiree Drug Subsidy (RDS) program, sponsored by the Centers for Medicare and Medicaid.
- Total subsidy received for the period July 1, 2020 through May 31, 2021 is \$2.68 million. **Note:** Through June 30<sup>th</sup>, weekly notification files will be received from RDS and will contain additional subsidy amounts for the complete plan year.
- As always, reconciled funds are returned to Medicare participants in the form of a premium subsidy.

## *Rose & Kiernan/NFP Acquisition*

- During early August 2020, R&K advised the Board of Trustees and Participant Groups of the firm's acquisition by National Financial Partners (NFP).
- NFP is one of the world's largest privately owned insurance brokerage and employee benefit consulting firms. NFP is headquartered in Manhattan, with 160 offices throughout the United States, Canada, and United Kingdom.
- NFP employs approximately 5,600 employees, and while a large entity, they foster a culture of togetherness, with a focus on building relationships that go far beyond the business aspect of their work. For reference, NFP's history can be found via this link -- <https://www.nfp.com/about-us>.
- Trustees and Participant Groups were assured there would not be a change in the personnel and service provided by the R&K team.
- Over time, the Consortium will be availed of the additional services offered through NFP.

## *The Affordable Care Act (ACA), Continued*

- DEHIC Participant Groups continued their efforts to ensure compliance with Form 1095-C filings for January 1 through December 2020.
- As previously mentioned, Rose & Kiernan continued to provide guidance to groups inquiring about the coding of forms, and the ACA in general.
- For those groups who migrated to the RKXchange/RKSolutions platform, ACA reporting is significantly streamlined, producing a time, cost savings, and accurate result for each group.
- Through routine communications, R&K continues to keep the Consortium participants aware of any/all ACA developments.



## *Revision to DEHIC's Bylaws, 2020 and 2021*

### *DEHIC Bylaw, Article 6, Premium Holiday*

- During the November 2020 meeting, the Board of Trustees considered additional review of their ability to accept the premium holiday event on different dates (i.e., by Participant Group) *when* it is declared.
- While draft changes were provided to accommodate such an amendment, it was determined that the change may not be a benefit administratively.
- The Board of Trustees agreed further consideration would be undertaken as requested.

### *DEHIC Bylaw, Article 12, 12.3, Retroactive Adjustments*

- Article 12 of the Bylaws provides that each DEHIC Participant employer must comply with the coverage eligibility requirements of the Plan, and this includes timely notification to DEHIC of changes in the eligibility status of employees, retirees or dependents.
- The purpose is to avoid denial of claims or payment of unnecessary premium.
- When the submission of a change is not completed in a timely manner, DEHIC and Empire may allow retroactive eligibility changes within certain limits and with appropriate justification.
- Previously, such changes were restricted to the last final settlement period; now such changes are limited based upon the type of service (e.g., inpatient v. outpatient).
- As a result, paragraph 12.3, *Retroactive Adjustments*, was amended to reflect the current process.
- Participant Groups were provided with this information in October 2020.

### *Eligibility Compliance Memo, Retroactive Exceptions*

- Closely related to the Bylaw change above, 12.3, the Board of Trustees reviewed a draft memo during March 2021 which outlined retroactive change requests and provided a reminder regarding the eligibility guidelines as outlined in the DEHIC Eligibility Memorandum.
- The concerns were primarily related to retroactive changes to enrollment (i.e., additions to or deletions from coverage via an exception request).
- The memo provided a modification to the existing procedure to limit exception requests to two per participant, per plan year.
- The memo was approved for distribution during April 2021 and released to Participant Groups.



### *Medicare Enrollment – no Part A and/or B*

- A member’s enrollment in Medicare when first eligible is an important part of the claim’s payment process as well as the fiscal stability of the member.
- DEHIC has supported the Participant Groups with eligibility reminders and template documents for their communication to the membership over the years.
- Through approval by the Board of Trustees, R&K undertook a review of the eligibility files to ensure member enrollment in Medicare Parts A and B were in place.
- As a result of the review, several members did not indicate evidence of Medicare enrollment, and requests for proof of Medicare via a copy of the Medicare ID card was initiated through the business/HR offices.
- The support and cooperation of each office in providing this information was commendable, and as a result, the eligibility records were updated to either reflect valid enrollment, or it identified the members who needed to take action to enroll in Medicare.
- Empire BCBS was also provided with this information to ensure their records were in sync.
- The project began in May 2020 and was finalized in November 2020.

### *BCBS Anti-trust Settlement*

- In April 2021, the Board of Trustees reviewed information surrounding the BCBS Anti-trust Class Action Settlement agreement that originated in 2008, with litigation beginning in 2013.
- The lawsuit claims that certain BCBS plans violated antitrust laws and competition in the health insurance marketplace, which caused consumers to pay more for their insurance coverage.
- Members and some groups received notices in the form of a postcard and/or email advising of their ability to submit a claim for *damages* – the deadline for the submission of a claim is November 5, 2021.
- DEHIC’s legal counsel prepared a confidential summary of the settlement agreement for the Board of Trustees to ensure appropriate context and noted that a review of this matter will be ongoing with updates provided over time.
- Details regarding the settlement and associated documents may be found via this link -- <https://www.bcbssettlement.com>.

### *ACA, Small v. Large Group, continued*

- In prior versions of the YIR, we advised on the efforts put forth to advocate on behalf of two Participant Groups, Livingston Manor CSD and Roscoe CSD, who are impacted by the ACA’s redefinition of small employer groups.

## Affordable Care Act (ACA), Small v. Large Group (reminder)

The Affordable Care Act (ACA), when passed in 2010, included the government’s distinction between a small and large employer group, with large employer groups defined as 101 employees and above.

Individual states were permitted to maintain their definition of a large employer group, 51 employees and above, and New York State determined to do so until 2016. In the years following, extender bills have been initiated in NYS reauthorizing small employer groups to maintain their participation in their large-group health plan. Until permanent legislation is passed, DEHIC and like entities will continue to pursue this matter.



- DEHIC's follow-up efforts continued with Empire BCBS and their outside legal counsel on the status of another extension allowing continued coverage for similarly situated groups until December 31, 2025.
- Recently, the bill was passed by both the NYS Senate and Assembly.
- It is believed Governor Cuomo will sign the extension with some hesitancy.
- Once Empire's counsel has additional updated information, further announcements will be made.

### *Employer Group Waiver Plan (EGWP)*

- In a previous update, we advised on the Board of Trustees continuing efforts to pursue cost-savings opportunities through the introduction of an EGWP.
- An EGWP allows DEHIC to carve-out from the medical plan the prescription drug benefit for the Medicare-eligible population and obtain prescription coverage through a Medicare Part D plan.
- Investigation of the EGWP will remain ongoing during the 2021-2022 plan year, with Empire BCBS performing an updated disruption analysis (i.e., neutral, positive, or negative member impact) for the Board's consideration.
- *Notes from the previous update. . .*
  - Currently, DEHIC submits an annual application to the Retiree Drug Subsidy Program and receives a subsidy based on specified criteria related to their Medicare population's drug utilization.
  - An EGWP provides an alternative to the RDS subsidy; whereby, Medicare members would be subject to the Medicare Part D prescription drug formulary established and approved by the federal government.
  - The RDS subsidy will no longer be available to DEHIC if the Board of Trustees approves the implementation of an EGWP.
  - The estimated cost-savings opportunity as of a 2020 analysis is \$11M, conservatively.
  - In addition, Medicare members would **not be subject to the mandatory mail order** requirement because Medicare Part D plans do not allow it.
- More to follow as this important initiative is reviewed and a determination on whether to move forward is made.

### *GBA Bootcamp, Training*

- As noted in the previous YIR, the Board of Trustees determined that a training session was needed to support the Participant Group's business office/HR staff responsible for health insurance benefits and the DEHIC enrollment and billing function.
- The Bootcamp was held during December 2020 with a healthy turnout by Business Officials, Group Benefit Administrators, and other business/HR staff members, including Empire BCBS.
- Discussion topics included the DEHIC Eligibility Memorandum; DEHIC's Benefit Plans and how they may be offered; Empire BCBS claims processing information; etc.
- Various support materials were provided, and feedback from the session was very positive.
- Suggestions were made to offer the Bootcamp as a *refresher training* over the coming year.



## *American Rescue Plan Act*

- On March 11, 2021, President Biden signed into law the 2021 American Rescue Plan Act (ARPA).
- A communication was released to all Business/HR offices summarizing the financial relief provided to individuals, state and local governments, schools, businesses, etc.
- The law contains a temporary subsidy for COBRA premiums, which is funded through employer tax credits. It also provided. . .
  - an extension of the FFCRA Leave employer tax credit on voluntary FFCRA leave expansion
  - an extension of a \$300 weekly unemployment increase
  - an increase in the ACA's Exchange subsidies
  - an increase in the contribution limits for Dependent Care Assistance Programs (\$5,000 to \$10,000, and \$2,500 to \$5,250 for married couples filing taxes separately)
- A multi-part webinar series was provided to all Participant Groups as part of the corporate-wide client service initiative of R&K/NFP, as there were action steps required of employers, including mandated notification deadlines.
- In-depth detail was provided, along with a FAQ document to support these efforts.
- Because the COBRA subsidy was an important feature of this legislation, additional support and guidance was extended to Participant Groups as needed.
- Compliance kits along with the noted FAQ documents were prepared, updated, and distributed as reference guides to all Participant Groups.
- R&K staff responded to questions posed by Participant Groups to ensure an understanding of the legislation and to further ensure administration of the provisions was carried out in a compliant manner.

## American Rescue Plan Act (ARPA)

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 (ARPA) into law, which included important updates to certain benefit laws in response to the ongoing pandemic. It included a temporary subsidy for the payment of COBRA; a tax credit extension for employers who chose to continue providing FFCRA leave beyond December 31 2020; the extension of a \$300 unemployment benefit; an increase in the ACA Exchange (Marketplace) insurance subsidies; and, an increase in the Dependent Care Assistance Program (DCAP) .